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Israel Votes To Legalize All Contacts With the PLO Shift Expected to Help Restart Peace Process With Arab Neighbors

JERUSALEM — The Israeli parliament on Tuesday legalized contacts with the Palestine Liberation Organization. It was a victory for Prime Minister Yitzhak Rabin's Labor-led coalition over rightist opposition parties. Tuesday's vote annulled a 1986 amendment to Israel's anti-terror law, which had barred Israelis from meeting with members of terror organizations. Violators had faced up to three years in prison, and several Israelis had served time for the offense. Among them was a peace activist, Abie Nathan, who was imprisoned for more than a year for meeting repeatedly with Yasser Arafat, the PLO chairman. The vote was 39 to 20 in the 120-member parliament. The reason for the low turnout was not immediately clear. The decision could give a boost to Israel's negotiations with Palestinians and Arab neighbors. The Palestinians have vowed to boycott the talks until Israel allows the repatriation of more than 400 alleged Muslim extremists expelled last month. Israel had considered the PLO a terrorist group and barred any contacts with it by Israelis. Recently, some officials had urged ending the ban to counter the rising influence of Muslim fundamentalists. Israeli liberals also have said that open and direct negotiations with the PLO could strengthen Palestinian moderates who support Middle East peace talks. The PLO holds considerable influence over the Palestinian delegation to the talks, which also include Jordan, Lebanon and Syria. A statement from a PLO spokesman in Tunisia said, "The move will pave the way to set up an independent Palestinian state living side by side with Israel." He also appealed for a summit meeting between Mr. Arafat and Mr. Rabin, who opposed lifting the ban. Analysts said the change was a cautious step toward official dialogue with the PLO though Mr. Rabin has so far opposed PLO participation in Middle East peace talks. Palestinians welcomed the change. "It certainly is a positive step," said Hanan Ashrawi, spokeswoman for the Palestinian delegation to the peace talks. "It is always our position that nothing is to be gained by noncommunication or boycotts," she told Reuters. She said she believed that official talks between Israel and the PLO were now inevitable. A recent survey showed that nearly half of Israeli legislators favored direct negotiations with the PLO, including two-thirds of the lawmakers from Mr. Rabin's Labor Party. Mr. Rabin staunchly opposed the idea, arguing that such contacts would force Israel to deal immediately with Palestinian demands for establishing an independent state in the occupied West Bank and Gaza Strip. Government officials have acknowledged that Israel is already indirectly negotiating with the PLO. Several Israeli legislators also have met with Mr. Arafat and other PLO officials, but were protected from prosecution by their parliamentary immunity. Earlier Tuesday, a special UN envoy arrived in Israel in his second attempt to win concessions on the 415 Palestinians deported to southern Lebanon. (Reuters, AP)



Bill Clinton in a moment of reflection Tuesday at President John F. Kennedy's grave at Arlington National Cemetery in Virginia.

Great Expectations for President Clinton

International Herald Tribune Polls by The New York Times and The Washington Post indicated Tuesday that President Bill Clinton will take office amid great expectations that he will achieve "substantial" progress on a host of issues from race relations to health care. But they also revealed fears that those expectations might be unrealistically high. "I think he promises a lot, and he may have promised too much," said Danielle Baborski, 25, a pharmacy worker from the Detroit region who voted for Mr. Clinton. That summed up the view of many. In the Washington Post/ABC News poll, 53 percent of those surveyed said they were "excited" or "optimistic" about the Clinton administration. But at the same time, 45 percent said they either were "concerned" or "scared" about what four years of Mr. Clinton could mean for them and the country. The New York Times/CBS News poll showed widespread (70 percent) optimism about the next four years, which was about the same as in similar polls at the start of the Reagan and Bush eras. The optimism conflicted with skepticism about whether Mr. Clinton would carry out his campaign promises. Only 7 percent of those questioned in the Times/CBS poll said they thought that he would try to deliver all his promises, while 36 percent said he would try to keep most of them. The Post/ABC poll indicated that two-thirds of those questioned expected Mr. Clinton to keep at least his major promises, even if they were not quite sure what those promises were. The Times/CBS poll indicated that people were both confident that Mr. Clinton would improve health care and insisted that he perform well on this score. Two-thirds of those who responded said Mr. Clinton will "make significant progress in getting health insurance for all Americans." Seven out of 10 in the Post/ABC poll said they expected Mr. Clinton to make substantial progress in improving health care. That confidence, the poll showed, is also shared by majorities of conservatives and Bush voters. Throughout the poll, respondents ranked health care near the top of national problems. The Post/ABC survey found that Mr. Clinton faces a public that has taken him at his word, and that word is change — three out of four said the country "needs to make major changes in the way the federal government works" and more than half expect the new president will make those changes. The administration faces much higher public expectations than President George Bush did four years ago. According to the Post/ABC survey: • Fifty-one percent expect the new president to make substantial progress in reducing poverty, as compared with 37 percent in a similar poll four years ago. • Sixty-eight percent expect him to make substantial progress in See POLLS, Page 4

Baghdad Offers A Cease-Fire, but U.S. Insists on UN's Full Terms

BAGHDAD — Iraq proposed a cease-fire Tuesday in the two air-exclusion zones over its territory and appealed to Bill Clinton to halt bombing raids and open talks after his inauguration as president. The Iraqi announcement came after a third consecutive day of combat. Pentagon officials said U.S. warplanes attacked anti-aircraft positions in northern Iraq after missile radar locked on some planes and artillery fired at others. In New York, the chief United Nations weapons inspector accepted Iraq's cease-fire guarantee as a pledge to let UN inspectors resume flights, and said weapons inspections would resume. The inspectors are now in Bahrain awaiting clearance to return to Iraq to continue dismantling its weapons of mass destruction. Rolf Ekus of Sweden, chairman of the UN Special Commission, said the Iraqi offer "should be taken seriously." But the response from Washington was somewhat more skeptical. "We need to see Iraq change its behavior," the Clinton communications director, George Stephanopoulos, said in a terse response to Iraq's announcement. "We need full compliance with the UN resolutions." Mr. Clinton himself said nothing publicly about Iraq. But his aides pledged continuity in the hard-line U.S. policy as the hour approached when the Bush administration's two-year confrontation with President Saddam Hussein becomes an instant Clinton administration foreign policy dilemma. Publicly, Clinton aides would not offer any praise of Mr. Saddam's announcement. They chose instead to note Iraq was still not in compliance with UN demands for its inspectors to have full access to suspected Iraqi military installations and were openly skeptical of Mr. Saddam's commitment to honor the no-flight zones. "There should be no perceived opening of the door" to improved relations, said the Clinton press secretary, Dee Dee Myers. Asked what steps Mr. Saddam could take to convince Mr. Clinton to open a dialogue with Baghdad, Mr. Stephanopoulos said, "It's almost impossible to imagine how we're going to get to this situation, given Saddam's history." "We have not had compliance with UN resolutions," he said. "We've seen, actually, a fronting of the UN resolution. And there's nothing in his behavior and his actions to suggest that that's going to change." "Bill Clinton is going to stand up to Saddam Hussein if he fails to comply with the UN resolutions," Mr. Stephanopoulos said. "Saddam Hussein is paying the price of not complying," he said in delivering Mr. Clinton's support for the new U.S. strikes on missile sites in northern Iraq. "It's a price he's going to continue to pay if he doesn't change his behavior." "There can be no backing down here, not even the hint of it," said a senior Clinton foreign policy adviser. "There are some who believe he needs to ratchet it up if needed, but he is waiting to see whether Saddam wants to call it quits." The Pentagon spokesman, Pete Williams, termed the offer "a helpful sign." But "more important than any statement is action," he said, citing the two issues that have drawn Iraq and the allies into military confrontation repeatedly in recent weeks. President Saddam Hussein's government said its unilateral cease-fire in the no-flight zones patrolled by allied planes would take effect at midnight Tuesday, Washington time. It appealed to Mr. Clinton to stop the bombing. The step was taken "as a gesture of goodwill toward the Clinton administration and through him to the American people," an Iraqi statement said. Iraq has been insisting that the UN flights, carrying officials to inspect Baghdad's arsenal, should take an indirect route via Jordan. (AP, Reuters, AFP)

Iraqi Calls U.S. 'Not an Enemy'

BAGHDAD — An Iraqi official asked President-elect Bill Clinton on Tuesday to abandon the allied air raid campaign. "Iraq is not an enemy to America and does not want to be," President Saddam Hussein's press secretary, Abduljabbar Muhsein, said in an open letter to Mr. Clinton, who takes office on Wednesday. But he predicted that Iraq would resist if Mr. Clinton stuck with what he called the "hostile policies" of the outgoing administration. "As for my country," he said, "at the same time as it strives to avoid the war and concentrate on reconstruction, it will resist aggression with all means." "Save your country from a lot of problems that, if they remain, will bring your country down," Mr. Muhsein advised Mr. Clinton, who has said he "will not waver" from Mr. Bush's policies. Mr. Muhsein described his letter, published in the ruling Ba'ath Party newspaper, Al-Ithra, as his own view and not necessarily that of the government. (Reuters, AP)

More Air Raids As U.S. Carrier Moves in Range

WASHINGTON — Sporadic air strikes by U.S. and British warplanes on Iraqi anti-aircraft sites continued Tuesday, and the Pentagon moved an aircraft carrier into the eastern Mediterranean. A Pentagon spokesman said allied planes would respond with similar raids as long as pilots were threatened by Iraqi anti-aircraft batteries or their planes were locked on by Iraqi radar inside the two United Nations-imposed air-exclusion zones in Iraq. "If they illuminate our aircraft, we will strike back," the spokesman, Pete Williams, said after the early morning incidents. Mr. Williams said Iraqi pilots were engaged in an effort to lure allied planes into air-defense traps by briefly flying into the no-flight zone in the vicinity of Iraq surface-to-air missile, or SAM, batteries. "This is sticking a toe over the line," Mr. Williams said, referring to the batteries as "SAM traps." His comments came before the announcement in Baghdad of a unilateral Iraqi cease-fire in the no-flight zones. For the third straight day, U.S. officials reported clashes that resulted in allied attacks on Iraqi air defense sites, but there were no damage reports. The allied aircraft involved were believed to be based in Turkey. Marine Fitzwater, the White House spokesman, called the U.S. attacks "defensive," and a member of the National Security Council staff expressed satisfaction at the results of the allied raids against the regime of Saddam Hussein. "We have this man severely boxed," said Richard N. Haass, a Middle East specialist on the council. The Iraqi leader will comply with See RAIDS, Page 4

Table with financial data: Dow Jones 18.92, Trib Index 0.21%, The Dollar DM 1.6128, Pound 1.5454, Yen 125.455, FF 5.4485.

Kenya Wants to Deport Refugees NAIROBI (Reuters) — Kenya asked the United Nations on Tuesday to send home half a million refugees from Somalia, Ethiopia and Sudan because of banditry and the strain on this country's resources. The announcement follows a series of bandit attacks along Kenya's border with Somalia in which at least 18 people have died, eight of them policemen. "The number of refugees in Kenya," the government said, "has not only seriously compromised the security of this country but greatly outstretched the infrastructure and medical services."



U.S. Marines in Somalia on Tuesday, waiting for their flight home. Page 5.

Turnaround? No Sign of It At 2 Struggling U.S. Giants

By Lawrence Malkin International Herald Tribune NEW YORK — IBM and ITT, two of America's pace-setting multinationals in their glory years, swept billions of dollars in losses off their books Tuesday as they struggled to reorganize obsolete and failing lines of business. ITT announced it was getting out of the small loan business and laying off 1,400 workers, which will raise its special charges for the year to at least \$1.3 billion and mean a loss for 1992 after more than a decade of profits. Analysts said that the conglomerate was doing well in some of its manufacturing divisions but that its financial and service companies had mixed results. Its remaining shares in Alcatel Alsthom, the French engineering and communications giant, will be put on the books of its troubled financial subsidiary to help support its recovery. IBM, which disclosed last month that huge reductions in its work force would put it deeper in the red, said Tuesday that last year's losses stood at \$4.97 billion after taxes because of the special restructuring charges. But it also reported an operating loss of \$45 million during the last three months of 1992, its first quarterly operating loss in history. Losses for 1991 totaled \$2.86 billion. Chairman John F. Akers, whose job is beginning to look increasingly insecure as the turn-around recedes farther into the future, declared that the company's results "are not acceptable to us or our shareholders." He warned that "difficult problems remain ahead of IBM" as it tries to decentralize its management and shift resources from the mainframes that made it the world's largest computer company into software, networks and computer services for business, widely recognized as the industry's main growth areas. But David W. of S.G. Warburg said the company would find it difficult to make the switch because much of its software is tied to its hardware — and the hardware itself is in trouble. He noted that the difference between IBM's hardware production costs and selling price, a measure known as gross margins, had fallen to a low of 35 percent from previous levels of 50 percent. Although this narrowing of margins affects industry worldwide, at IBM it can be traced to a decline in mainframe sales while production costs have been fixed until factories are closed down. The next piece of bad news from IBM will probably come on Jan. 27, the day after its board of directors meets to determine IBM's dividend, which has been paid regularly for years. Mr. Wu, a former IBM salesman, presenting to look increasingly insecure as the turn-around recedes farther into the future, declared that the company's results "are not acceptable to us or our shareholders." See IBM, Page 13

Criminal Negligence? Air-Inter Said 'No' to Alarm

By Barry James International Herald Tribune PARIS — When a French A-320 jet smashed into a mountain near Strasbourg a year ago Wednesday, killing 87 persons, it was not carrying a warning device that most airlines consider essential. The company, Air-Inter, says that was a deliberate decision because the devices, known as ground proximity warning systems, were prone to give false alarms. Air-Inter was, nonetheless, the only airline in the world to fly A-320s without the systems, according to industry sources. Now an investigating magistrate has, in effect, blamed the company by charging its former operations manager, Jacques Ranziet, with criminal negligence leading to loss of life and injury. Air-Inter, while acknowledging that its policy was not to fit the devices, denied that this was the cause of the accident or that the crash could have been prevented had the aircraft been equipped with a warning system telling the pilot to "pull up" as he approached the ground. To emphasize that the lack of the warning systems was a company policy, the president of Air-Inter, Jean-Cyril Spinetta, has demanded that he too be charged. The company denies that the warning systems were left off for anything but technical reasons, that is, the doubts about their reliability. Mr. Spinetta says the decision not to fit them was made after "long and extremely careful analysis." The safety devices are technically optional extras, because they are not required on domestic operations in all countries, although they are now legally required on international flights by all aircraft with a capacity of more than 30 passengers. Industry sources said, however, that the A-320 was routinely delivered with the systems installed. What made Air-Inter's decision all the more surprising was that its parent company, Air France, had equipped all its aircraft with the warning systems. Furthermore, a state prosecutor working on the investigation, has produced a letter to Air-Inter from the French civil aviation directorate expressing concern about the absence of the systems. The letter was sent during the month preceding the accident, according to the prosecutor, René Pech. At that time, the use of the warning systems was not obligatory under French law for domestic flights. It was only following the initial report from investigators seeking the causes of the Strasbourg disaster that Paul Quiles, then transport minister, demanded that Air-Inter equip its fleet with the systems. The company says this has now been done. A spokesman for the International Civil Aviation Organization in Montreal said that the See JET, Page 4

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TRANSITION/ADVICE FOR A GREENHORN

Ghosts of Transitions Past Haunt the Big Party

By R. W. Apple Jr. New York Times Service

WASHINGTON — To Herbert Brownell Jr., Bill Clinton's experience is renewed proof that no incoming president has anything approaching complete control of his agenda...

Mr. Brownell said, "But the rash of international problems will make it hard for him, and it's going to take him a while to establish relationships with people in London, Bonn, Tokyo..."

Twenty-four years ago, Gerald L. Warren went to work as an assistant press secretary in the Nixon White House. Now, at 62, he is the editor of The San Diego Union-Tribune.

Does Clinton Fit the Bill? Southerners Size Him Up

By William Booth Washington Post Service

WASHINGTON — Some people think the president-elect talks funny. Just because Bill Clinton speaks with a drawl, does that mean he is a Southerner, and if so, why? If not, why not?

Bush: Out of the Limelight, Into the Sun

The Associated Press

WASHINGTON — One minute, he is Mr. President, the commander in chief directing air strikes against Iraq. The next, he is Mr. Citizen, just another retiree moving to the Sun Belt.



A passing of the torch, so to speak. An effigy of President George Bush is replaced at the podium by one of Bill Clinton at Madame Tussaud's Waxworks Museum in London.

Nominee Says Hiring Aliens Was 'Wrong'

The Associated Press

WASHINGTON — Attorney General-designate Zoë Baird apologized to the Senate Judiciary Committee on Tuesday for hiring illegal aliens, saying the decision to hire the couple was "wrong, and I deeply regret it."

Bill Clinton has never just thunderstruck me as completely Southern, said Alan Levritt, publisher of the Arkansas Times, a weekly in Little Rock, Arkansas.

Clinton Promises to Bring In a 'Spirit of Innovation'

Compiled by Our Staff From Dispatches

WASHINGTON — On the brink of his presidency, Bill Clinton pledged on Tuesday to inject a spirit of innovation into government and said, "I desperately want to make a difference."

He quoted Franklin D. Roosevelt, another former governor who became president in a time of economic trouble. "We ought to be about bold experiments now."

Clinton promised to bring in a "spirit of innovation" into government and said, "I desperately want to make a difference."

Television Coverage of Inaugural Events

The Associated Press

The cable television network CNN will broadcast coverage of the Clinton inauguration beginning at 1500 GMT (10 A.M. eastern standard time) on Wednesday and will continue through the inaugural speech, which is due to end at about 1800 GMT.

Away From Politics

The Supreme Court on Tuesday asked for the federal government's views on whether abortion clinics can invoke the federal racketeering law against groups that organize demonstrations aimed at shutting down the clinics.

AMERICAN TOPICS

Races See a Decrease in Black-White Divide

If Martin Luther King, who would have been 64 this week, were alive today, Lawrence Harrison writes in The Washington Post, he would "probably be gratified by the progress America has made toward his vision of a color-blind, integrated society — and at odds with the many black leaders today whose vision is a confrontational society divided along color lines."

selective cutting of trees less than 30 inches (77 centimeters) in diameter, rather than clear cutting of everything in sight, will be allowed.

More people are going to small-claims courts, where you don't need a lawyer, as the dollar limit for awards inches upward. New York's is \$2,000; Pennsylvania's and California's are \$5,000.

where millions of immigrants first set foot on American soil. The 632-foot (200-meter) circular wall, which opened last week, has 420,000 engraved names. Except for the Indians, the United States is a nation of immigrants, and anyone could get an ancestor's name listed for \$100.

Don Shula, coach of the Miami Dolphins of the National Football League, recalls that after he won his second consecutive Super Bowl 19 years ago, he and his wife took a getaway vacation in Maine.

New York City jail officials have uncovered a scheme involving inmates shooting themselves. They say that as many as 10 inmates in the last three years have arranged to suffer the pain of minor gun wounds for the greater good of suing the city for negligence or simply getting better jail accommodations.

Mr. Harrison, a black writer, cites Gallup polls as evidence of "dramatic liberalization of white attitudes about race and a recognition by many blacks of progress achieved." Thus, in 1963, 45 percent of whites polled said they would definitely move away or consider moving away if black people moved next door. In 1990, the total was 5 percent. Ninety-

Lee A. Iacocca, the former Chrysler chairman who heads the Statue of Liberty-Ellis Island Foundation, hit the jackpot for the foundation when he established the American Immigrant Wall of Honor on Ellis Island.

Arthur Higbee

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First U.S. Marines Fly Out of Somalia Australians Replace Them As the Aid Mission Continues

Compiled by Our Staff From Dispatches

MOGADISHU, Somalia — The first unit of U.S. Marines left Somalia for home on Tuesday after handing over their duties in the famine-stricken southern town of Baidoa to Australian replacements. A group of 237 troops of the 3d Battalion, 9th Marine Regiment packed their bags, handed over live ammunition rounds and flew out of the Mogadishu airport for California.

"You did, like you always do, a first-class job," Major General Charles Wilhelm, commander of U.S. forces in Mogadishu, said in a brief farewell.

The Marines were part of a 24,000-strong U.S. force spearheading Operation Restore Hope, a multinational humanitarian effort to stop the looting of famine relief supplies by gunmen.

"I feel that we did a good job," said Lance Corporal Shane Resux, 20. "I'm not sure that the mission is complete. I hope the people come out of starvation. I see the way that we live and the way that they live. Big difference."

A U.S. military spokesman said a second group of 375 Marines was leaving later on Tuesday. Two more flights would leave on Wednesday until the entire 900-strong unit had rebased.

Washington is describing the homecoming as a redeployment and says it does not herald the start of a winding down of U.S. forces in the Horn of Africa country.

Military sources say the overall level of U.S. forces is likely to remain unchanged for some considerable time but that combat troops will be replaced by logistical sup-

port units as Operation Restore Hope moves into a second phase. The U.S.-led force, now numbering a total of 36,000 men from 20 countries, has secured Somalia's towns, airports and ports, and escorted food convoys to the main famine centers.

Rival Mogadishu factions on Tuesday dismantled roadblocks still dividing the ruined Somali capital, and in another sign of improved security said they planned to set up a temporary police force.

American and Italian troops provided security to allow representatives from both sides to take down about 12 remaining barriers near the "green line" that winds through the city.

Some departing Marines said their mission was complete. Others were not so sure.

Even as the battalion was leaving, other Marines providing security for relief workers came under sniper fire in scattered parts of the country, U.S. military spokesmen said. There were no casualties reported.

Since the Marines landed in Somalia on Dec. 9, one Marine has been killed and one Marine and one Navy medic wounded. With the departure of the 3d Battalion, 9th Marines, fewer than 9,000 Marines remain among more than 25,000 U.S. troops.

There are also another 11,000 troops from an international force of 20 nations operating in Somalia. Somalia has lost 350,000 of its people to famine, fighting and disease in the last year.

An additional 2 million people are considered at risk.

(Reuters, AP)

Blaze in Taipei Takes 33 Lives

TAIPEI — Fire swept through an unlicensed 24-hour restaurant in central Taipei before dawn on Tuesday, killing 33 people and injuring 21, possibly in an arson attack, the police said.

Customers tried to escape the blaze by jumping out of the second-floor windows of the Lun Ching Restaurant in a commercial building on one of the capital's main avenues.

Eye on Olympics, China Drops Shadowing of Press

By Nicholas D. Kristof
New York Times Service

BELING — The Chinese authorities appear to have stopped following foreign reporters, as part of an effort to spruce up their image and help their bid to become host of the Olympic Games in the year 2000.

The State Security Ministry and Foreign Ministry jointly issued an internal government circular this month announcing an end to the following of foreign journalists, Chinese familiar with the document say. The circular said the step was necessary to improve Beijing's human rights image and therefore its chances of being awarded the Olympic Games.

Beijing is one of half a dozen cities competing to become host of the 2000 Summer Olympics. It is vigorously rebuilding roads and renovating its airport in the hopes of winning

the Olympics, while also encouraging the use of English and taking other steps to improve its bid.

Considering how security-conscious the Chinese authorities are, the change suggests that they are extremely concerned with winning the Olympic bid, which will be decided this fall. Diplomats say that China has generally managed its application well and that Beijing will be a strong contender.

For several years, government agents have followed certain foreign journalists with a diligence that rarely surfaces in other endeavors. While government ministries are often empty by late afternoon, and take days to answer the simplest questions, three carloads of security agents can miraculously appear at 10 P.M. on a rainy Saturday to pursue a foreign reporter.

Reporters for The New York Times, who have apparently been followed more than reporters from other news organi-

zations, have been followed almost every time they have left their residence in recent months. That kind of surveillance stopped abruptly within the last two weeks, and other journalists said that they, too, had not been followed recently.

Diplomats from the United States and other countries are followed much less frequently than reporters, perhaps because the authorities are less concerned with their secrets getting out than with the embarrassment of having them splashed across foreign newspapers.

The Foreign Ministry and State Council News Office have declined to confirm or deny that the following of reporters had been suspended.

A Foreign Ministry spokesman, when asked for a comment, inquired who had told the reporter about the document. When the reporter declined to say, the spokesman added that it was difficult to make a comment without this information.

Angola Rebels Gain On Vital Oil Town

The Associated Press

LUANDA, Angola — Government troops dug in on Tuesday to defend an important petroleum town as UNITA rebels gained ground in ferocious fighting for several strategic cities.

Rebel forces of the National Union for the Total Independence of Angola destroyed several oil wells and were advancing on the outskirts of Soyo, a coastal town crucial to petroleum production, 300 kilometers (185 miles) north of Luanda in Zaire Province.

"The government is pouring men and weapons into Soyo," said a Luanda-based diplomat, speaking on condition of anonymity. "It's their breadbasket; they can't afford to lose it."

Rebel forces attacked Soyo on Monday, after warning all foreign aid workers to withdraw. State radio said the fighting was ferocious, and that Zairean troops and white mercenaries were fighting alongside rebels. The radio's report could not be independently confirmed.

Production shut down at the five foreign-owned petroleum companies in Soyo when petroleum workers were evacuated in anticipation of the attack.

Texaco, which shipped about 64,000 barrels a day from Soyo, airlifted its management staff out over the weekend, a company representative said.

Fighting continued 200 kilometers east of Soyo in Mbanza Congo,

the capital of Zaire Province. State radio has issued conflicting reports about who controls the city. UN officials called the fighting "inconclusive."

After rejecting UN-sponsored peace talks over the weekend, UNITA said in a statement it would negotiate only after the government halted all military offensives.

Rebels continued the fight Tuesday to retake the central city of Huambo, 530 kilometers southeast of Luanda, where their headquarters is situated.

One assault at Huambo, was said to involve 10,000 rebel fighters.

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LONDON THEATER



Hester Collyer, Linus Roache in "The Deep Blue Sea."

A Rare Marivaux:
Less Can Be More

By Sheridan Morley
International Herald Tribune

LONDON — The comedies of Marivaux are so seldom seen in Britain nowadays that when one surfaces at the National Theatre, where even Racine and Molière rarely get their due, it should be a cause for rejoicing. Unhappily Neil Bartlett's new adaptation of "The Game of Love and Chance" tries so desperately to capture an audience evidently thought to be uneasy with the original that it falls between several stools.

Updated to the 1930s, it starts out as a Noel Coward comedy complete with silk-dressing-gowned cabaret pianist, lurches from there back to Feydeau and forward to Théâtre de Comédie mimes without ever finding a coherent style or method of bringing a subtle artifice back to coherent life. The story is simple enough: Two upper-class scions of wealthy families, committed to an arranged marriage by their parents, decide independently to disguise themselves as their servants to inspect the people they are about to wed.

Around this fragile impersonation, Marivaux constructed a comedy of appalling manners that has now been turned by Bartlett and his co-director, Mike Alfreds, (for the visiting Cambridge Theatre Company) into a frenetic farce, complete with backstage interludes in which an uneven company led by Maggie Steed and Peter Wingfield can be seen uneasily stepping into costume and character.

A lot less here would have been more. With just a little faith in the original text, "The Game of Love and Chance" could have been played as written. True, it's a one-joke comedy, but it does have a good deal to say about the manners and conventions of its period, none of which can really be heard when it is dragged into a different time and place. Only the wonderfully agile Marcello Magni gets the laughs as an amazingly athletic chauffeur and mime artist.

Tenerez Rattigan has either been shamefully ignored or generally dismissed about by Britain's subsidized companies, so it is especially good to be able to welcome to the Almeida in Islington a blazingly powerful and confident production of "The Deep Blue Sea," which emerges under the guidance of Karel Reisz as the greatest of British midcentury dramas.

When it first opened with Peggy Ashcroft 40 years ago — although Rattigan was at the height of his fame and fortune — most critics proceeded to get both his achievements and his intentions radically

wrong. But then, as Kenneth Tynan always said, Rattigan was the Fornosa of our theater, geographically allied with the old guard but temperamentally inclined toward the rebels.

The story is of Hester Collyer, played by Penelope Wilton in the focal performance of her career. Separated from an eminent judge, she is living with a fatally weak-willed test pilot (Linus Roache, in the role that made a stage and screen star of Kenneth More) whose heart and soul died in the Battle of Britain and who is surviving at best an afterlife to World War II. As the play opens, Hester is retrieved from suicide, which seems to be her only real option, by well-meaning if obtuse neighbors.

On the first night of the play in 1952, the critic Ivor Brown took the view that all she really needed was a good marriage-guidance counselor, a solution akin to putting Hedda Gabler

in touch with a decent interior decorator. Even Tynan thought the suicide should have been successful, and it took Rattigan several reticent years to point out regretfully but tactfully that the whole point of the play is Hester's survival, in itself an infinitely greater tragedy than her death.

This is in essence a triangular piece, cornered by Hester, her older but richer pilot, and that triangle was originally a real one, albeit homosexual. There was no Hester, but there was Rattigan himself, caught between an older and richer lover (the member of Parliament and diarist Chips Channon) and a passion for a younger actor called Ken Morgan, who had been in the film of Rattigan's first great hit, "French Without Tears."

In real life it was Morgan, not Rattigan, who opted for suicide and successfully took his life. Had there been no theatrical censorship in Britain in 1952 it is possible that "The Deep Blue Sea" — instead of seeming the well-made throwback to Galsworthy and Pinero that it now does — would have emerged as our first great homosexual tragedy.

As it is, the play lives on its central performance and some brilliant support from Nicholas Jones as the clenched, sexless, loving judge and Wojtek Pszoniak as the sinister, struck-off doctor upstairs. The only problem is really that of Freddie, the alcoholic pilot; at the time of his first creation, the pubs of Britain were full of men like him, a postwar generation of congenitally cheery, unemployable misfits trading on a kind of seedy RAF charm and not a lot else. Fifty years on from the Battle of Britain those men no longer exist, and it is no fault of Roache that he seems to be a time traveler from the '90s.

George Gershwin Tell-All? Some Clues to a Mystery

By Allan Kozinn
New York Times Service

NEW YORK — George Gershwin's music is virtually always in the air, but the details of his personal life have remained something of a mystery. But Gershwin fans interested in peering behind the scrim erected by the composer's family will have an opportunity to reconsider the composer's life and times in May, when Joan Peyser's biography, "The Memory of All That: The Life of George Gershwin," is due from Simon & Schuster.

The book, like Peyser's racy 1987 study of Leonard Bernstein, is a psychobiography rather than a musical study. Hints about Gershwin's private and interior life are gleaned from his letters, from his comments as recalled by his associates and from Ira Gershwin's song lyrics, which Peyser says represent a veiled biography of the composer.

But the section of the book that will undoubtedly be most widely talked about is Peyser's discussion of Alan Gershwin, an impoverished songwriter who was born in 1925, whose original name was Albert Schneider and who grew up convinced that he was the composer's son.

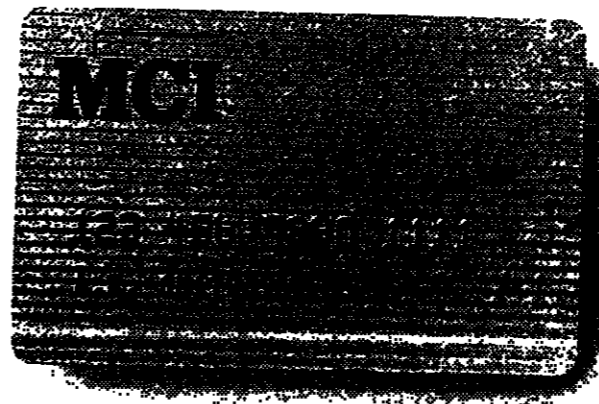
The Gershwin family always publicly denied his claim, but Peyser quotes several sources — Gershwin's valet and Alan Gershwin's stepbrother among them — who corroborate his story of being regularly taken to visit the composer. Peyser contends that Alan Gershwin's mother was actually Fanny Schneider's younger sister, an actress named Molly Charleston, with whom Gershwin had an affair that lasted several years.

"There is not a smidgen of doubt," Peyser said in an interview. "A deal was made, a lot of money changed hands. George saw him from time to time, which is more than his mother did."

Peyser was unable to track Molly Charleston beyond 1956. Peyser says that only Ira and his wife, Leonore, knew the truth and that the other relatives believed what Ira told them. Ira Gershwin died in 1983 and his wife died in 1991.

"I don't go into encyclopedic detail about the songs and shows," Peyser said. "That information is available in other books. I think of this as the first biography of Gershwin. The rest are chronicles of what he did and whom he met. What I've written is an interpretation of a life that was much sadder than anyone dreamed."

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A Hot Ticket in London,
5 Months in Advance

Reuters

LONDON — Musical fans are flocking to secure tickets for Sir Andrew Lloyd Webber's latest work, "Sunset Boulevard," even though it doesn't open for five months and the prices are the highest ever for a West End show.

The composer will have five shows running simultaneously in London when "Sunset Boulevard" joins "Cats," "Phantom of the Opera," "Starlight Express" and "Joseph and the Amazing Technicolor Dreamcoat." The new show, based on the classic Hollywood film starring Gloria Swanson, will open on June 29. The lavish £2.5 million (\$3.9 million) production, which Lloyd Webber has wanted to stage for 20 years, is being directed by Trevor Nunn.

The first tickets were sold for £32.50 each when they went on sale on Monday to a group of students who had been in line since midnight in front of the Adelphi Theatre. "We did consider going to £35," said Lloyd Webber when asked whether he did not consider the seats expensive.

The part of the silent screen movie queen who refuses to believe her star has waned went to Patti Lupone, who won a Tony award for her stage portrayal of Eva Peron in Lloyd Webber's "Evita."

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INTERNATIONAL Herald Tribune

Bush Faltered at Home

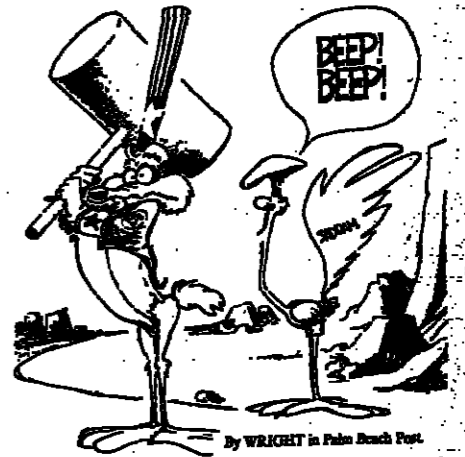
What we know is that within a few hours, the presidency of George Herbert Walker Bush will be, as they say, history. What we do not know is whether history will judge him more kindly than the voters did in November. He came to politics with every advantage of birth and education. He is unlikely to be remembered as a great president, but rather more as an amiable transition figure. The lesson of George Bush? Beliefs count for something. They animate policy; without them, leadership falters.

the monumental opening presented by Mikhail Gorbachev, he eventually threw his weight behind mutual disengagement in Europe and, in time, Boris Yeltsin. But on matters closer to home, Mr. Bush vacated the bully pulpit. He subcontracted the management of domestic policy to indifferent subordinates and created the ultimate fatal impression that he did not know what to do, and worse, did not care. The public was hardly blind to these discontinuities. A month after the Gulf War, it gave him an 83 percent approval rating in foreign policy. Only a bare majority detected any interest in the economy or health care.

Iraq: Avoiding the Impossible Options

WASHINGTON — Brickbats are showering Bill Clinton because he told The New York Times that if Saddam Hussein "wants a different relationship with the United States and the United Nations, all he has to do is change his behavior." Except for his suggestion that U.S. relations with Iraq could be normalized, he was right. George Bush has left the United States in an impossible dilemma. He has said that the Iraqis must overthrow Saddam before the United States will support a lifting of UN sanctions. Since the Iraqis are unable to meet that demand and Saddam will not agree to it, the prospects for a near-term improvement in the crisis are slim. Mr. Bush has so personalized his struggle with Saddam that the country faces three impossible choices.

By Charles William Maynes
So long as Washington seems to insist on unconditional surrender, Saddam can be expected to exploit popular anti-Americanism in the Arab world. Current policy also risks the dismemberment of Iraq, which no state supports, except possibly Iran. The Turks fear that a Kurdish state could rise from the body of a dismembered Iraq. The Arabs are terrified that a dismembered Iraq might open the way to even greater influence of Iran.



posed first foreign policy blunder. But it was not a blunder. It was an effort to avoid Mr. Bush's mistakes. Those who urge unconditional surrender on Iraq should be honest enough to explain to America how the goal can be obtained. In 1945, we had to go to Berlin to obtain such an objective. Do we really want to go to Baghdad? The writer is editor of Foreign Policy magazine. He contributed this comment to The New York Times.

Clinton Should Use the Tax Tool Now to Ensure America's Future

PARIS — William Jefferson Clinton becomes president at a desperate moment for the United States. He takes over a nation that has been living on its own substance, like a starving man, for so long that the critical point nears when it may not be able to resist these economic resources. The destructive mechanisms have interacted to a point where they now tend to perpetuate themselves.

By William Pfaff
the country out of this situation. That is the real challenge Mr. Clinton faces. He has to persuade the electorate to behave responsibly. After more than 12 years during which the public was encouraged to behave irresponsibly, and another 12 years before that, when both Republican and Democratic administrations manipulated and then betrayed public trust, the matter is not simple.

my, and in the education, health and social protection of the work force, will demand new federal spending. Without a larger federal income, none of this is feasible. Talk of wringing waste out of existing programs and making savings in how the government functions are like the famous "peace dividend." They are what you promise during political campaigns because you know that such things should, in principle, be possible. But you also know in your heart that in practice they are not going to work to the extent that they can fur-

nish the budget savings you need. Americans will not be happy if Mr. Clinton begins his presidency with a tax increase, but they won't like it any better later, and if he acts now the deed will be done and he will have the money to do the other things he needs to do. Thus there is much talk in Washington of an immediate big boost in gasoline taxes, so as to bring what Americans pay to drive their cars up to a level that bears comparison with what everyone else in the industrialized world pays.

currently forecast to continue to rise throughout this decade. Americans are undertaxed. Can Mr. Clinton convince the people who voted for him that this is true, and that the future of the country and its economy, and the well-being of their children, depend on releasing the government from the paralysis of indebtedness? This is the primary challenge faced by the new president. If he can overcome that, every possibility is open. If he cannot, his fate is sealed, and the much-disputed American decline confirmed.

Watch the Class of '92

Creating political stereotypes is easy. Just ask the new congressional class of '92. Last year, established political types were fearful of what kind of Congress would be produced by a campaign that focused on bounced checks, congressional perks, foreign junkets and term limits. "I'll never bounce a check!" is not the sort of promise that embodies a broad view of the nation and its problems. The class of '92, it was feared, would turn out to be long on gestures and short on substance.

According to Professor Sandy Maisel of Colby College, more than half were elected directly from another office. Fully 45 of the 110 came from state legislatures, which tend to breed stately representatives. Their ranks also include former county supervisors, mayors and even a governor. These folks ran campaigns against Washington, corruption, insiderism and perks precisely because as politicians they understood the feelings of their electorates. But for the same reason, they also ran on the sensibly basic issues the electorate was most worried about, notably the economy and health care. This is also why there has been less talk from them since the election about symbols and more about "ending gridlock" and getting things done.

A Grand Opportunity for a More Equal U.S.-Japan Partnership
By Yukio Satoh
The writer heads the North American department of the Japanese Foreign Ministry. This comment does not necessarily represent the views of the Japanese government. To be the most important country for Japan. Together, the two economies account for 40 percent of global GNP, and they are deeply interdependent. Cooperation and coordination with Washington will remain essential for the pursuit of Japanese interests in areas ranging from trade, investment, macroeconomic management and international monetary affairs to energy, science and technology.

But Don't Expect the Going to Be Easy
By Robert M. Orr Jr.
whether Tokyo accepts these arguments. If the Clinton administration moves to reinavigate U.S. economic competitiveness without making Japan a scapegoat, Tokyo will be more likely to cooperate, or at least listen. Japan understands that a confident and competitive America serves its interests better than a weak and vulnerable one. But if the United States appears once again to be lacking out emotionally, motivated by powerful domestic interest groups, Japan will be less willing to cooperate.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO
1893: Waiting Emigrants
HAMBURG — Bitterness is reported on account of the conduct of the British Transatlantic steamship companies in refusing to forward to America passengers via Hamburg although in possession of tickets. The companies in Germany, Russia and Austria have sold over 20,000 tickets. Emigrants have remained sometimes for months on the hands of the Hamburg authorities. The press demands a reform of the laws regulating emigration.

1918: Empire Sealed Off
GENEVA — Grave reports on Austria-Hungary are in circulation. First-hand information is, however, lacking on the Dual Monarchy which has been under lock and key since Thursday (Jan. 17). No Austrian newspapers are refusing to allow travelers to enter or leave the empire. Strikers and disorders, on Austrian admission, have broken out at Vienna and else-

where are caused partly by the demand for peace, but principally by the critical food situation. 1943: Leningrad's Pain
MOSCOW — [From our New York edition:] The lifting of the siege of Leningrad, whose defense was an inspiring symbol, has brought freedom to people. Although the announcement said the siege ring was finally broken yesterday (Jan. 18) after a bitter seven-month campaign, the battle has been going on ever since the Germans completed the encirclement of Leningrad almost seven months ago. The struggle was hard. During last winter there were months when only workers, soldiers and government men could be what might be called adequately fed. There was not enough food available for the non-workers, and through the decision was difficult to make, the Soviet command had to cut them to about a slice and a half of bread each day. There was no electricity or running water.

Halt the Art Plundering

When Eastern Europe with its long-inaccessible art treasures opened up, tourists were not the only ones to benefit. A voracious second industry of art thieves and smugglers moved in. One of the worst hit is ex-Czechoslovakia: Inadequately guarded churches, monasteries, museums and castles, together with administrative and customs chaos, and short funding all around, have spelled cultural disaster. A year ago, authorities in Prague said their then-unified country had lost some 15,000 items in 1991, worth about \$36 million. Last month they estimated the 1992 toll for the Czech Republic alone at 20,000.

Other Comment
Begin With Higher Fuel Taxes
Political reality probably will prevent the Clinton administration and the new Congress from passing significant petroleum taxes. Outrage from voters who refuse to see the long-term benefits of higher taxes on fuels probably will be enough to stop Bill Clinton, as it has past presidents. But the facts remain: The United States has the cheapest motor fuel and fuel oil by far in the industrialized world. It wants to discourage fossil fuel use in the interest of its environment, and it wants higher revenues to deal with monstrous deficits. Raising the costs of burning fossil fuel would help achieve all these goals. From the standpoint of good economic and environmental policy, higher fuel taxes make good sense.

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سكرا من الامم

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OPINION

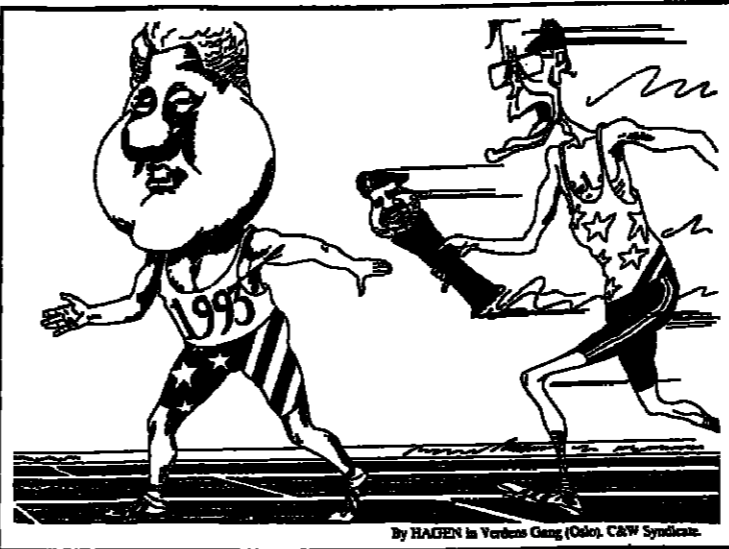
He Begins as a Wartime President

By A. M. Rosenthal

WASHINGTON — And so from the moment he takes the oath Bill Clinton becomes a wartime president exactly as he had known all along.

that Mr. Clinton must soon tell his countrymen what he knows: that leaving Saddam in power was a mistake and that however long it takes he has to go.

— that should be the determined and consistent Clinton policy. Saddam's enemies are all around him, millions of his countrymen.



Buck Up — Georgie-Porgie Can Make a Big Comeback

By Hank Bradford

LOS ANGELES — Dear Mr. Bush: As you prepare to leave office, you should finally be told the truth about why you lost the election.

Put it this way: Barbara Bush is being loved; you're looking for work. The ideal weight for a successful president is 225 pounds.

LETTERS TO THE EDITOR

To Avoid Tanker Disasters

Clearly the current practice of transporting huge quantities of petroleum in unsafe tankers under all weather conditions is irresponsible.

which storm winds could drive a crippled tanker toward a shore or reef.

The two recent disasters to marine ecosystems along the eastern edge of the Atlantic underscore the need to accelerate the transition of the world energy economy to greater reliance on natural gas in the short term and to a solar-hydrogen system over the longer term.

Half-Steps for Alsations

Regarding "German Gains New Parity in Alsace Primary Schools" (Jan. 8): The German language did not gain "new parity" in Alsace; rather, the French government fought the efforts of Alsations to gain better competitive access to the language of their Swiss and Swabian neighbors as well as an improved understanding of their own roots.

liberative bodies, which will be considering this question later this year.

THERESE GAUSTAU, Director of Information Services, United Nations, Geneva.

The Dark and Light of It

Many thanks to Charles Krauthammer for "Who Needs Dark Matter Anyway?" (Opinion, Jan. 11). It might be comforting to Mr. Krauthammer to hear that an increasing number of scientists feel exactly the way he does: that in today's physics — and in cosmology in particular — the connection between theorizing and the investigation of empirical reality is often lost.

supposed to account for reality, it is now demanded from reality that it comply to prevailing mathematical models.

It seems unusual that you let a columnist parade his ignorance so much as Mr. Krauthammer did in "Who Needs Dark Matter Anyway?"

Tomorrow, call a breakfast meeting; have the breakfast, skip the meeting.

Mr. Bradford was head writer on "The Tonight Show" for Johnny Carson and has written for Jay Leno. He contributed this column to The New York Times.

UN Offices in Germany

Regarding "UN Leader Calls German Military Role a 'Must'" (Jan. 12), I wish to clarify the issue of the possible moving of the United Nations Development Program from New York to Bonn.

opment Fund for Women in Bonn, that there was a lot of competition by countries to have an important UN presence.

In addition to the UN Headquarters in New York, the Palais des Nations at Geneva and the Vienna International Center, he mentioned the recently built office towers for the United Nations in Bangkok and Tokyo and a conference center being built in Addis Ababa.

ADVERTISMENT

INTERNATIONAL FUNDS

Jan. 19, 1993

Quotations supplied by funds listed. Net asset value quotations are supplied by the funds listed with the exception of some quotes based on issuer prices.

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Symbol	Price	Change
IBM	115.00	+1.00
MSFT	45.00	+0.50
ORCL	35.00	+0.25
INTL	25.00	+0.10
DISC	20.00	+0.15
WALT	15.00	+0.10
AMZN	10.00	+0.05
GOOG	5.00	+0.02
MSFT	45.00	+0.50
ORCL	35.00	+0.25
INTL	25.00	+0.10
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THE REPORT every Saturday in the IHT.

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(Continued on page 13)

THE TR

MEDIA MA

A Century Still Pack

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Gold Rates

Forward Rates

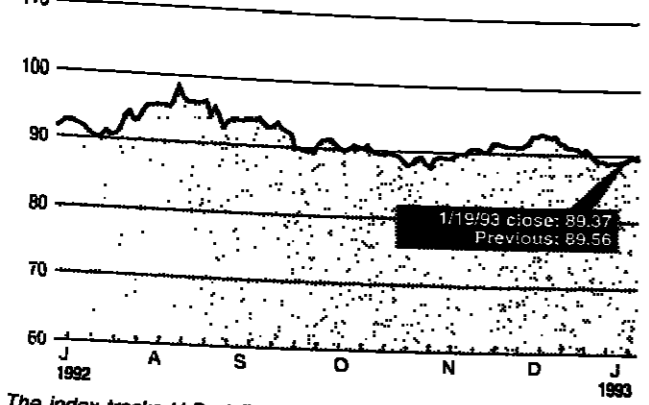
Spot Rates

Other Dollar Values



THE TRIB INDEX: 89.37

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Asia/Pacific Europe N. America

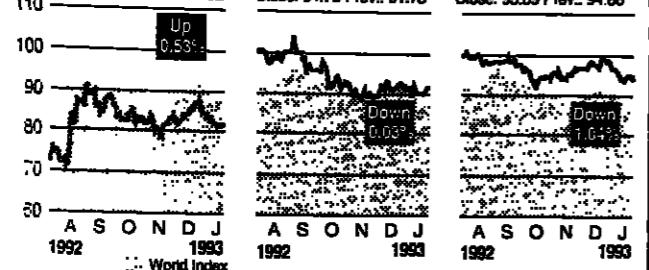


Table with 3 columns: Industrial Sectors, Tm. close, Pw. close, % change

For more information about the International Herald Tribune World Stock Index...

MEDIA MARKETS

A Century Old, Telegraaf Still Packs Quite a Punch

By Robert L. Kroon
Special to the Herald Tribune
AMSTERDAM — Never given to understatement, De Telegraaf celebrated its 100th anniversary this month and proclaimed itself "newspaper of the century."

See TELEGRAAF, Page 13

Elf Sanofi Buying Saint Laurent

By Suzy Menkes
International Herald Tribune
PARIS — Yves Saint Laurent, the king of Paris couture, is selling his fashion kingdom. The business that he and his partner, Pierre Bergé, built up over 30 years will be absorbed through a 3.6 billion franc (\$645 million) share swap into Elf Sanofi SA, the perfume, cosmetics and pharmaceuticals division of Elf Aquitaine, the French state-controlled oil company.

'A French future was' always assured, and I wanted the solution to be French.'

Pierre Bergé

The acquisition of a design house considered to be part of the French cultural heritage by a state-owned company, and at a relatively rich price, may reflect Mr. Bergé's own connections with the French political establishment and his close friendship with President François Mitterrand.

U.S. Banks Profit As Loans Improve

Compiled by Our Staff From Dispatches
NEW YORK — Major American banks exceeded Wall Street earnings estimates Tuesday as five of the 10 biggest banks — Citicorp, Chemical Bank Corp., Chase Manhattan Corp., Wells Fargo & Co. and Banc One Corp. — reported big gains in fourth-quarter and 1992 profits.

Kodak Resorts to Firings

New York Times Service
NEW YORK — Eastman Kodak Co. said Tuesday it would lay off 2,000 people, mostly through involuntary cuts, trim research costs and work with outside directors to improve its financial performance.

Kohl Proposes Spending Cuts, Borrowing Rise

By Brandon Mitchener
International Herald Tribune
FRANKFURT — The government on Tuesday revealed details of its contribution to a controversial "solidarity pact," including spending cuts and a borrowing rise, that it hopes will pave the way for lower interest rates and shore up funding for German unity.

Thyssen Calls for Steel Cartel

Compiled by Our Staff From Dispatches
DUISBURG, Germany — Thyssen Stahl AG called Tuesday for the creation of a cartel in the European steel industry and increased its prices by up to 20 percent after reporting what officials called "catastrophic" results for its latest year.

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CURRENCY & INTEREST RATES

Table with columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Other Dollar Values, Forward Rates

Table with columns: Eurocurrency Deposits, Key Money Rates, Other Dollar Values, Forward Rates

MARKET DIARY

Battered IBM Leads Blue Chips Lower

NEW YORK — Blue-chip stocks fell Tuesday after International Business Machines Corp. reported the biggest loss in its 79-year history. In contrast to IBM, several money-center and regional banks, including Citicorp, reported strong

fourth-quarter results, unleashing a stampede into bank stocks. The Dow Jones industrial average fell 18.92 to 3,255.99.

Advancing stocks outpaced decliners by a narrow margin among common stocks on the New York Stock Exchange. Trading was heavy, with more than 285 million shares changing hands on the Big Board.

IBM set a grim tone for the market early on, when the computer maker reported the worst performance in its history. IBM incurred a 1992 loss of \$4.96 billion, or \$8.70 a share, on restructuring charges and declining sales.

System Software slid 4 1/8 to 18 on news that IBM's AS/400 midrange computer business incurred a double-digit sales decline. The product is a major platform for System Software.

Borland International slid 2 1/4 to 17 1/2 after the software maker posted disappointing quarterly results. The pessimism generated by IBM's results was countered some-

what by strong earnings from Citicorp. Chemical Banking Corp., Wells Fargo & Co., Banc One and First Interstate, among others. "The banks have been outstanding," said Jim Toth, head trader at McDonald & Co. "They really helped everything."

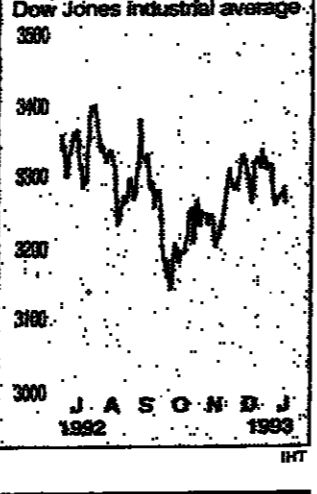
Especially strong were the California-based banks, on expectations of a turnaround in the state's big economy. Wells Fargo added 13 to 99, BancAmerica rose 3 1/4 to 52 1/4 and First Interstate gained 2 1/4 to 52. Peoples Westchester Savings Bank rallied 7 1/2 to 30 1/4 after the company said it received a cash takeover bid of \$30 a share from an investor group.

After an analyst at Bear, Stearns & Co. recommended purchase of U.S. automakers' stocks, GM rose 1 1/4 to 36 1/4, Ford went up 3/4 to 47 1/4 and Chrysler climbed 1/4 to 38.

Railroad stocks fell after NatWest Securities lowered its ratings on concern about shipments, rising costs and high share prices. Consolidated Rail Corp. fell 1 to 49 1/4, Union Pacific Corp. dropped 1 1/4 to 43 1/4, and Burlington Northern declined 1 to 43 1/4.

Foodmaker Am. skidded 1 1/2 to 12 1/2 after Washington state authorities linked an outbreak of food poisoning to hamburgers from the company's Jack-in-the-Box chain. (Bloomberg, Reuters)

The Dow



Dow Jones Averages

Table with columns: Open, High, Low, Last, Chg. Rows include Industrial, Financial, and Composite.

Standard & Poor's Indexes

Table with columns: High, Low, Close, Chg. Rows include Industrials, Financials, and Composite.

NYSE Indexes

Table with columns: High, Low, Close, Chg. Rows include Composite, Industrials, and Financials.

NASDAQ Indexes

Table with columns: High, Low, Close, Chg. Rows include Composite, Industrials, and Financials.

AMEX Stock Index

Table with columns: High, Low, Close, Chg. Rows include Composite, Industrials, and Financials.

Dow Jones Bond Averages

Table with columns: High, Low, Close, Chg. Rows include 20 Bonds, 10 Utilities, and 10 Industrials.

Market Sales

Table with columns: NYSE, NASDAQ, AMEX, and Total. Rows include Volume, Value, and Shares.

N.Y.S.E. Odd-Lot Trading

Table with columns: Buy, Sell, Short. Rows include Jan 18, 19, 20, 21.

S&P 100 Index Options

Table with columns: Call, Put, Open, High, Low, Last, Chg. Rows include Jan 18, 19, 20, 21.

EUROPEAN FUTURES

Table with columns: High, Low, Close, Chg. Rows include Food, Metals, and Industrials.

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U.S. / AT THE CLOSE

Trade Nominee Vows to Open Markets

WASHINGTON (NYT) — President-elect Bill Clinton's choice to become the next U.S. trade representative told the Senate Finance Committee Tuesday he would seek to open foreign markets, but gave little indication of his personal views on trade policy. Mickey Kantor also repeatedly expressed skepticism about his predecessor's farm-subsidy agreement on Nov. 19 with the European Community, and said he would have to review it closely to determine whether the United States had made too many concessions. But he stopped short of saying whether he would try to renegotiate the pact. The committee voted unanimously to recommend that the full Senate approve Mr. Kantor's nomination, which is expected soon after Mr. Clinton is sworn in Wednesday.

Chrysler Predicts Big Earnings Rise

WASHINGTON (Bloomberg) — Chrysler Corp. said Tuesday it expected earnings for the fourth quarter of 1992 to exceed \$300 million, a figure that would surpass analysts' estimates by some 18 percent. Chrysler, which gave the estimate in a filing for its planned offering of 40 million shares, said earnings would top \$300 million if the company waited until 1993 to adopt an accounting change for retiree benefits. Chrysler cited stronger sales and a better mix of higher-margin vehicles for its earnings estimate. Its stock rose \$1.25 to \$38.75.

Schwab Posts Gain, PaineWebber Off

SAN FRANCISCO (Combined Dispatches) — Charles Schwab Corp., the biggest U.S. discount broker, said Tuesday its fourth-quarter profit rose 57 percent to \$25.2 million, or 65 cents a share, as clients' trading surged. The earnings, up from \$16.1 million, or 41 cents a share, a year earlier, exceeded Schwab's forecast a month ago of \$23 million to \$24 million. Activity rose to 27.1 million trades a day in the quarter, from 19,900 a year ago. In 1992, Schwab added 560,000 accounts, and account assets rose 38 percent to \$66 billion. Schwab stock fell 1 1/8 to \$31. PaineWebber Group Inc. said fourth-quarter earnings fell 11.8 percent to \$41.4 million, or 73 cents a share, as revenue from trading and investment banking declined. The firm also said it would cut its staff in future months by about 25 percent, or 40 jobs, and would freeze pay of "certain individuals" with salaries of more than \$50,000. PaineWebber stock fell \$1.50 to \$25.00. (Bloomberg, UPI)

Metromedia Signs Telephone Pact

ATLANTA (Bloomberg) — Metromedia Communications, a company controlled by the billionaire John Kluge, said Tuesday it had signed an agreement to take control of Resurgens Communications Group and create the country's fourth-largest long-distance telephone company. The new entity, which needs regulatory clearance, will retain the Metromedia name, trade publicly and have annual revenue of \$500 million, less than 1 percent of the \$65 billion market. Revenue is expected to hit \$1 billion soon through acquisitions, a Resurgens official said. Metromedia will hold 61 percent of the combined company and Resurgens shareholders 39 percent. Metromedia has not disclosed how much it will pay for its stake. Shares in Resurgens, which have surged almost 150 percent since the companies first announced plans for the deal on Oct. 23, fell 25 cents to \$36.50.

For the Record

Toyota Motor Sales USA Inc. said it would invest more than \$75 million to set up a new North American parts logistics division and would increase its use of U.S.-sourced parts to 50 percent by 1995. (Reuters) W.R. Grace & Co. said it had filed a \$120 million lawsuit against the Flemish regional government in Belgium, alleging that the government's revocation of a permit forced Grace's Belgian plant to shut down last year. (Bloomberg) Nike Inc. said it was teaming up with a leading Hollywood talent agency, Creative Artists Agency Inc., to develop sports events and programming. (AP, Bloomberg)

German Tax Talk Pulls Dollar to Sharp Loss

NEW YORK — The dollar fell Tuesday, dragged lower by a German proposal to put a withholding tax on foreign investment funds.

which could cause a repatriation of money invested overseas into markets. The dollar fell to 1.6070 Deutsche marks from 1.6177 DM on Monday.

Indications that a German interest-rate cut was in the cards failed to overcome the Finance Ministry's plan to extend its 30 percent withholding tax, which requires paritaxing approval. "What this is aimed to do is close off the investment loophole opened by imposing the tax on domestic funds, after which money flew offshore and shrank the tax net anyway," said Ian Amstad, economist at Bankers Trust Co. in London.

On the rate front, traders said minor interest-rate cuts by Belgium and the Netherlands on Tuesday may signal that a German rate cut is not far behind. One trader at a German bank in London said many dealers expected rate cuts in early February. John Hall, economist at Swiss Bank Corp. in London, said the need for a German rate cut had diminished now that the French franc had stabilized.

In European trading, the mark edged down to 3.3824 francs from 3.3825. In New York, the dollar fell to 5.4485 francs from 5.4770. The dollar also fell to 1.4735 Swiss francs from 1.4770 and to 125.455 yen from 125.450. But the pound fell to \$1.5454 from \$1.5518.

Also weighing on the dollar was a comment by Silas Keen, president of the Federal Reserve Bank of Chicago. He said the U.S. recovery was threatened by consumption growth outstripping that of income. His remark was taken to mean the Fed would continue its policy of low rates to nurture the economy. (AFP, AP, Bloomberg, Reuters)

Bundesbank Spending

The Bundesbank said it spent 110.6 billion DM intervening in the market to support other European currencies during 1992, the Associated Press reported from Frankfurt.

The central bank's January monthly report said all the intervention support occurred in the second half of 1992, and at the peak of turbulence in September, the outlay was 36 billion DM in one day. The report said 51.3 billion DM had been repaid by the end of 1992.

Ruble Plunges to a New Low

MOSCOW — The ruble plunged Tuesday to a record low of 474.50 to the dollar on the Moscow Interbank Currency Exchange and exchange officials cited growing demand for dollars by Russian banks.

The new rate compared with 442 rubles to the dollar at last Thursday's session and the previous low of 450, set on Nov. 24. Alexander Osenmuk, deputy director of the exchange, said that there had been a "significant" increase in demand for dollars. A spokeswoman for the exchange said that \$75.18 million changed hands on Tuesday, close to the record volume of \$78.87 million.

"If the market can throw in 34 billion rubles, this is a sign that banks and clients have more dollar resources," said Mr. Osenmuk.

WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Helsinki, Hong Kong, Brussels, Frankfurt, London, Milan, Stockholm, Toronto, Zurich, and others. Columns include Open, High, Low, Last, and Change.

U.S. FUTURES

Table of U.S. futures markets including Grains, Metals, and Livestock. Columns include Open, High, Low, Last, and Change.

U.S. FUTURES

Table of U.S. futures markets including Grains, Metals, and Livestock. Columns include Open, High, Low, Last, and Change.

سوق المال

Commerzbank Capital Increase 1993

Invest now in substance and growth

Ambitious Goals and Good Results

The success of Commerzbank's profit-oriented growth is shown by its latest results. As of October 31, 1992 the partial operating result was up 14.2%, topping DM 1.5 billion. The bank is thus well prepared for any economic risks.

Successful Cost Management

At the same time, with its personnel and operating expenditure up only 5.3%, Commerzbank has shown that it has costs under control. Restructuring to improve the bank's efficiency has been introduced - a major factor in boosting both present and future earnings.

Attractive Dividend Yield

Commerzbank is increasing its capital by issuing 25 million new shares, with a nominal value of DM 125 million. The new shares, issued on a one-for-one basis, are priced at DM 200. Subscription rights will be graded from January 20 to February 1. Based on DM 10 dividend, the yield on the old shares is above average for the financial sector. The new shares carry full dividend rights for 1993.

Ready for the Future

Several factors point to strong future earnings. Commerzbank is well positioned in eastern Germany and has expanded in Eastern Europe, an area with great economic potential. Its *Allfinanz* agreements have resulted in strong growth in commission income. The bank has also increased its income from international operations.

Talk to Your Broker Now

The Commerzbank share is now widely recommended by both domestic and international analysts. To find out more about the new issue, please contact your broker, bank or any Commerzbank branch.

COMMERZBANK
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NASDAQ

Tuesday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the NYSE consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Financial data table with columns: 52 Weeks High, 52 Weeks Low, Stock, Div, Yld, P/E, Net Income, High, Low, Last, Chg, Vol. Includes sub-tables for NASDAQ, NYSE, and various international markets like London, Frankfurt, and Zurich.

Marco

Cathay Pa

AME
Tuesday's Clo

صكنا من الاصل

Marcos Haunts Philippine Airlines

MANILA — A struggle between two businessmen is threatening the future of the Philippines' flagship airline and casting a shadow over the government's program to privatize key industries, analysts said Tuesday.

shaken the credibility of the government privatization program, which was supposed to freeze out any former Marcos associates.

Tan's ascension to the throne might be seen as the government favoring a former Marcos crony.

juangco did not consult Mr. Tan on ambitious expansion plans, including ordering \$1.6 billion in jetliners.

Westpac Pledges Action To Angry Stockholders

SYDNEY — Shareholders of Westpac Banking Corp. grilled directors at the bank's annual meeting Tuesday despite a plea that they not seek revenge and assurances that the board was acting to stem the bank's losses.

Mr. Packer's "sense of urgency parallels the sense of urgency of AMP," said the company's managing director, Ian Salmon.

Investor's Asia

Table with columns for Hong Kong, Singapore, Tokyo, Kuala Lumpur, Bangkok, Seoul, Taipei, Manila, Jakarta, New Zealand, Bombay. Includes stock indices and exchange rates.

Cathay Talks Tough as Strike Bites

HONG KONG — With passenger fury over a strike by flight attendants growing, Cathay Pacific Airways Ltd. launched a major public-relations blitz on Tuesday, claiming that support for the strike was ebbing and placing newspaper and radio advertisements to state its case.

from rival Asian airlines, which will need aircraft for their own services over the Lunar New Year holiday, which begins Friday.

JAL Eliminates Payout as Loss Estimate Grows

TOKYO — Japan Air Lines Co. announced Tuesday it would omit its dividend for the year ending March 31, saying weakness in the stock and real-estate markets had thwarted its plans to narrow operating losses by selling assets.

Malaysian Planter Diversifies

KUALA LUMPUR — Malaysia's largest plantation house, Golden Hope Plantations Bhd., said Tuesday that it would diversify into real-estate development and manufacturing to protect earnings from shifts in commodity prices.

Fujitsu's Off to a Late Start on Color LCDs

TOKYO — Years after its major competitors, Fujitsu Ltd. announced Tuesday that it would start making color liquid-crystal displays for portable computers.

South Korea Braces For U.S. Chip Duties

SEOUL — South Korea has failed to persuade the United States to cancel anti-dumping tariffs on Korean computer chips, the deputy minister of trade and industry, Cho In-uk, said Tuesday.

AMEX

Tuesday's Closing Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

AMEX market data table with columns for NYSE, AMEX, and various stock indices.

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Market data table with columns for NYSE, AMEX, and various stock indices.

SPORTS TENNIS

Swiss Skier Shuts Gate On Tomba

Von Grünigen Wins in Slalom

The Associated Press VEYSSONNAZ, Switzerland — Michael von Grünigen of Switzerland won his first World Cup race Tuesday...

Von Grünigen, 23, carried over a first-run lead and edged the 1988 and 1992 Olympic giant slalom champion from Italy by 07 seconds...

Norway's Lasse Kjus came in third on the hard-packed snow, 20 behind von Grünigen's winning time of 2 minutes, 29.51 seconds.

Marc Girardelli of Luxembourg was fourth, his wide lead over Tomba in the World Cup points race barely dented after the last giant slalom before next month's World Championships in Japan.

Girardelli also stayed six points ahead of Tomba in the giant slalom standings. Girardelli has won two of four giant slaloms this season.

Tomba, leading at that point, watched in the finish area as von Grünigen beat him on the final stretch of his second run.

"It's great to beat Tomba," said von Grünigen, who comes from the mountainous Bernese Oberland.

Tomba was second-fastest in both runs, but his well-known aggressiveness put him in peril right from his flailing first-run start.

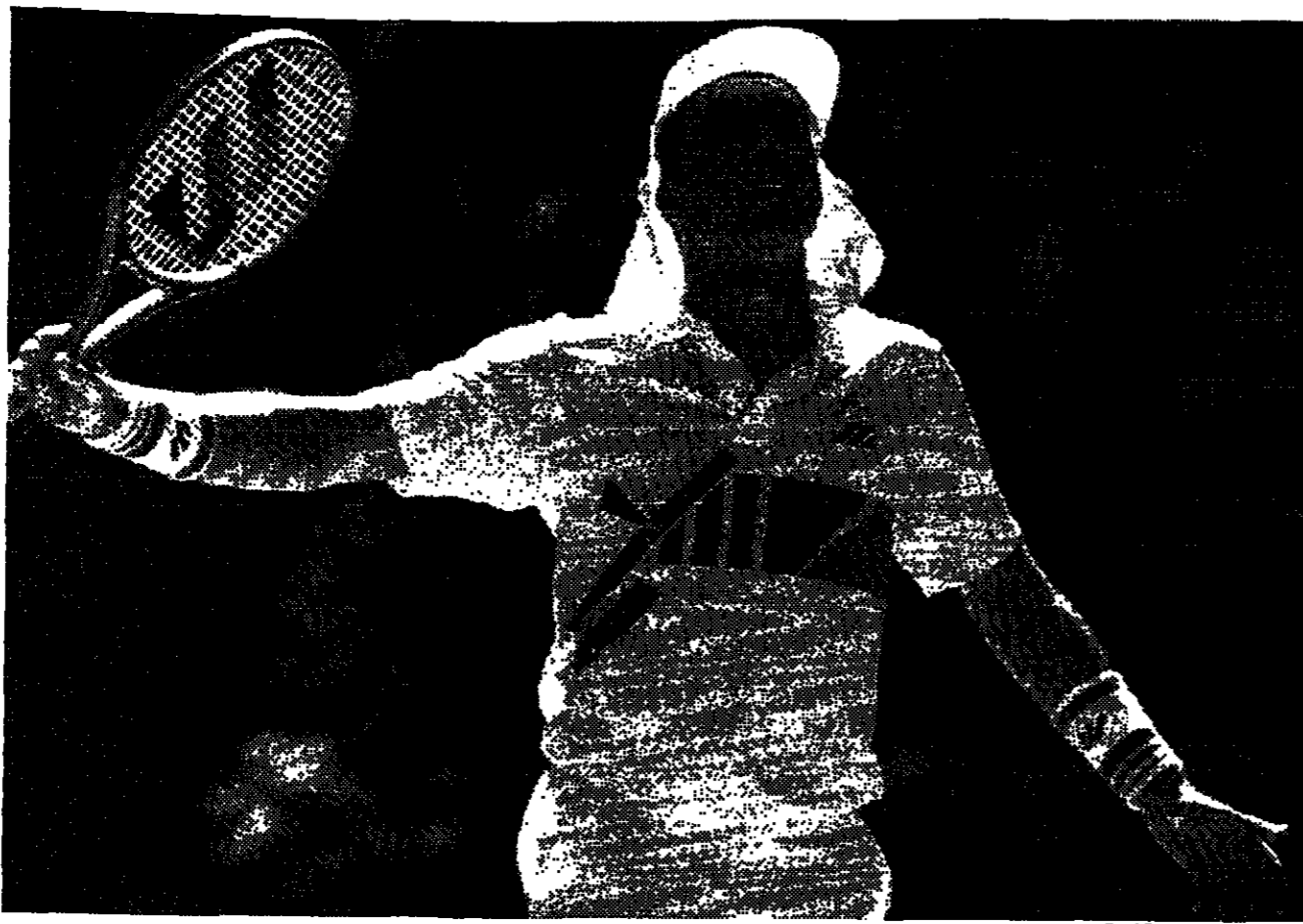
Acrobatics saved him at the end of that run when he lost his balance on a bump before the final gates, narrowly missed disqualification when his ski tip glanced off the last gate, but whipped back onto his skis while crossing the finish line.

Girardelli, well on his way to a record fifth World Cup overall title, upped his point count to 925 Tuesday.

The International Ski Federation said Tuesday it has banned Yugoslav skiers from the World Championships next month because of the UN sanctions against Serbia-Montenegro.

FIS's secretary-general, Gianfranco Kasper, said the decision wasn't expected to have any impact on the competition, because none of the best-known skiers from former Yugoslavia were from Serbia-Montenegro.

He said the Serbs had wanted to participate more as a political gesture.



Ivan Lendl agonizing during his loss to Christian Bergstrom: "If I had come out and played really well, I would have been surprised."

McEnroe Quits the U.S. Davis Cup Team

Los Angeles Times Service LOS ANGELES — If the United States is going to repeat as Davis Cup champion, it will have to do it without John McEnroe.

The 33-year-old McEnroe, who led the United States to a 3-1 victory over Switzerland in the 1992 Davis Cup final, apparently is not interested in playing on the squad again.

McEnroe passed over for the captain's position when the U.S. Tennis Association reappointed Tom Gorman, told Gorman that tennis of any kind was not in his plans.

"At the moment, he's just not committed to playing any tennis at all," Gorman said this week.

Speaking of the 1993 Davis Cup events, Gorman added: "He stated to me he was very, very sure that at least the first couple weren't even going to be a consideration at all."

The United States plays its first-round match, against Australia, March 26-28, on the grass at Kooyong in Melbourne, and Gorman will have to abandon his plan to use the same four players that won the 1992 Davis Cup.

The doubles team of McEnroe and Sampras won important matches against Stefan Edberg and Anders Jarryd of Sweden in the semifinals and against Jakob Hlasek and Marc Rosset of Switzerland in the final.

Gorman said he has told Courier, Agassi and Sampras of McEnroe's decision and that they had asked to delay making a commitment to play the first round until after the Australian Open.

Becker led Germany to victory in the 1988 and 1989 Davis Cup competitions.

"It's very simple," Tiarac said. "Either he plays the tournaments he is scheduled to play, or he plays Davis Cup and drops tournaments to play it."

Germany is scheduled to face Russia in its opening round Davis Cup match in Moscow March 26-28.

Lendl Joins Upset Ranks, Falling to Bergstrom

Other Top Seeds Win in Australian Open

By Christopher Clary Melbourne — He certainly looked like the vintage Ivan Lendl as he marched around the Stadium Court with his hollow cheeks...

"I was watching that match in the apartment, and I got so psyched up," Bergstrom said. "Anders showed that, especially in the first rounds, you can beat these guys."

Apparently, only Bergstrom took the lesson to heart, because the rest of the seeds had no problem living up to their billings as temperatures remained reasonably cool for the second straight day.

No. 3 Pete Sampras put on the most impressive show, thoroughly dominating Carl Uwe-Steeb of Germany, a competent player, 6-1, 6-2, 6-1, in one hour and 16 minutes.

"I surprised myself," said Sampras, who missed this tournament because of injuries in 1991 and 1992.

"The way she plays is she makes a great shot or she misses by far," Sabatini said. "I think she got a little bit nervous at the end."

Becker Drops Cup Play

Boris Becker has decided not to play Davis Cup tennis for Germany in 1993, his manager, Ion Tiriac, said Tuesday.

Becker's crowded schedule had forced the decision, Tiriac said.

He limped out of the Australian Open on Monday with a pulled thigh muscle after losing in five sets to the Swedish qualifier Anders Jarryd.

"He's tired. He just didn't have enough of a break," Tiriac said.

He said Becker, who had won three straight tournaments going into the Australian Open, would not play again until the Milan tournament in early February.

"You have to start somewhere, somewhere," said Lendl, who won this tournament in 1989 and 1990.

"The match would prove more problematic, as the 62nd-ranked Bergstrom proved steeper and more imaginative from the baseline, making only 17 unforced errors to Lendl's 43.

Reds Get Reardon, Jays Sign Borders

NEW YORK — Jeff Reardon, 37, the major league career leader in saves who was acquired from Boston to help the Atlanta Braves in the 1992 playoffs and World Series, agreed Tuesday to a minor-league contract with the Cincinnati Reds.

Catcher Pat Borders, the Toronto Blue Jays' most valuable player as they won the World Series, signed a two-year contract and avoided arbitration.

Australian Open Results

Table containing tennis match results for the Australian Open, including winners and scores for various categories like Men's Singles, Women's Singles, etc.

Advertisement for 'Thin, Elegant And Portable: The IHT Personalized Pocket Diary Fits In The Palm Of Your Hand.' Includes an image of the diary and detailed text about its features and pricing.

Advertisement for 'HIGH TECHNOLOGY & PROFITABILITY FOR THE 21st CENTURY' conference in London, March 25-26, 1993. Includes a list of topics, speakers, and a registration form.

OBSERVER

Diaries on the Eve

By Russell Baker

BILL CLINTON'S DIARY: Inauguration tomorrow. Hillary wants me to cut 45 minutes out of the speech. Tell her there's not a superfluous word in it.

"Friendly advice," Bush says: "Whatever you do, don't keep a diary." Apparently there's nothing prosecutors like more than spending dozens of millions of dollars trying to subpoena diaries.

ALBERT GORE'S DIARY: Worried all day about the rain forest burning. Tipper begs me to give it up for the next 24 hours.

SENATOR NUNN'S DIARY: It could be me up there tomorrow except for those popularity polls — just one short year ago — showing no earthly human could possibly beat George Bush.

RICHARD NIXON'S DIARY: Of course I didn't expect Clinton to offer me a front-row seat for the swearing-in. That would be wrong. Should he ask me to head an emergency program to prevent the former Soviet Union from collapsing into a chaos perilous to the entire world, I shall accept it as a great American uniquely qualified for the assignment.

MARILYN QUAYLE'S DIARY: There they go again.

Dan thinks increasingly of being the next president. This morning he asked, if I became first lady, would I let him invite Murphy Brown to the White House.

He said he thinks his attack on Murphy Brown cost votes in the last election and believes inviting her to the White House would show he has nothing against her.

MARIO CUOMO'S DIARY: Sure it could be me up there tomorrow except for those popularity polls showing no human on earth could beat George Bush.

SADDAM HUSSEIN'S DIARY: The hour of glory approaches. The father of evil, the Satan of Satans, the poisonous begetter of mothers of all battles will be forever stripped of his power tomorrow.

RONALD REAGAN'S DIARY: There they go again.

One for the Money: India's Spiciest Writer

By Edward A. Gargan

BOMBAY — She's been called a "chimpanzee." It has even been suggested that she suffers "from mental sickness and base instincts." But remarks like those from literary connoisseurs in India don't seem to faze Shobha De.

De thinks sex, talks sex, writes sex. And in doing so she shocks India, and much of its literary set, like no other writer today.

The novelist, who has three steamy works already behind her, is back with her latest, "Strange Obsession," published last month in English by Penguin Books of India.

Although India lays claim to its own deeply erotic tradition, some of it expressed in spectacular and graphic thousand-year-old temple sculptures at Khajuraho and other sites, candid discussions of sex are rare.

Money is no stranger to the author, either. "I write for money," De said, in words akin to heresy in literary India.

Indeed, many reviews paint her as a virtual heretic. "We have a heroine, of the films and of the novel, who lives on a diet of men for breakfast, lunch and dinner, and some times in between."



"I don't make any bones about it," says Shobha De. "Why else write."

country, masturbating the nation." And in the Economic Times, Dilip Raote told his readers that "the two or three scenes of the kind that are described by mental juveniles as 'torrid' are narrated with the elegance of a bullying loud bragging about his conquests."

parents give you, and maturity is about coming back to those values. I'm now interested in what Shobha is going to write because she has gone through the whole experience."

De, born Shobha Rajadhyaksha in 1948 in the state of Maharashtra, graduated from St. Xavier's College, a Jesuit school in Bombay, and started a career in journalism in 1970. About 21 years ago, she started Stardust, which became the bedrock gossip magazine of Bollywood (a combination of "Bombay" and "Hollywood"), as the film world is known here.

In 1987, bored with her magazines and set back by the collapse of Celebrity, she received advice from a friend: Turn to fiction. "I wrote 'Socialite Evenings' in three months," she said. "It wasn't that explicit. It explored adultery, women walking out of marriages because they were bored. People found that shocking."

During a recent interview, she shook her mane of black hair and said: "The problem with India is that in marriage, sex is like a rash. It's irritating." She tipped her head back and laughed. "Isn't that just crazy?"

From her fifth-floor apartment in one of Bombay's most fashionable residential areas, De scanned the skyline of India's only modern metropolis. She drummed her fingers on a window ledge slowly, a smile creeping across her face.

"There is a different reality," she said, "and that is my reality. There is an India beyond the begging bowl. It's about time that somebody projected another India." "The problem with so many Indians," she added, "is that affluence is so suspect. 'Rich' is the dirtiest word in the Indian language."

PEOPLE

The Sound of Gravel Is Worth \$2.5 Million

The sincerest flattery, and most expensive: The Supreme Court let stand a \$2.5 million award to Tom Waits over the use of a sound-alike singer to mimic his gravelly voice in a television commercial.

At the end of the year, as usual, Paul Newman, the president of Newman's Own, which makes salad dressings, popcorn and spaghetti sauce, and A. E. Hotchner, the executive vice president, sat down to divide the profits among charities who had made requests.

The Danish director Bille August has begun filming Isabel Allende's best-seller, "The House of the Spirits," near Coral in southern Portugal.

Continuing a tradition dating from 1949, a mystery man visited the grave of Edgar Allan Poe on the author's birthday and left three red roses with a bottle of cognac.

INTERNATIONAL CLASSIFIED

Appears on Pages 4 & 6

WEATHER

Weather forecast for Thursday through Saturday across various regions including Europe, Asia, Africa, North America, Middle East, and Latin America. Includes maps and temperature charts.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution for the puzzle of Jan. 19.

BOOKS

THE NAKED CONSUMER: How Our Private Lives Become Public Commodities. By Erik Larson. 275 pages. \$23. Reviewed by Alan Pell Crawford.

prevent abuses are embarrassingly simpleminded. He proposes, for example, a constitutional amendment to declare "privacy" to be an alienable right.

BEST SELLERS

Table listing best-selling books in Fiction and Nonfiction categories, including titles like 'The Pelican Brief' and 'The Stars Shine Down'.

Large advertisement for AT&T USA Direct Service featuring a globe and the slogan 'Speed up the approval process.' Includes contact information and a list of international access numbers.